

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF THE UNION LIGHT,)	CASE NO. 9029-S
HEAT AND POWER COMPANY)	

O R D E R

On October 24, 1984, the Commission issued its Order in Case No. 9029, approving certain rates and providing for adjustments of these rates on a quarterly basis in accordance with the provisions of the gas cost adjustment ("GCA") clause set forth therein.

On May 1, 1989, The Union Light, Heat and Power Company ("ULH&P") filed its quarterly gas cost adjustment which is to become effective June 1, 1989 and is to remain in effect until September 1, 1989.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) ULH&P's notice of May 1, 1989 set out certain revisions in rates which ULH&P proposed to place into effect, said rates being designed to pass on the wholesale decrease in gas costs from its suppliers in the amount of \$2,914,169 or 28.2 cents per Mcf.

(2) ULH&P's notice set out a total refund adjustment of 1.2 cents per Mcf, which is a combination of previous quarters' adjustments and the current quarter's adjustment of .3 cents per Mcf.

(3) ULH&P's notice set out a total actual adjustment of .2 cents per Mcf to compensate for previous under-recovery of gas cost by the company through the operation of its gas cost recovery procedure.

(4) ULH&P's notice set out a total balance adjustment of 4.5 cents per Mcf to reconcile previous actual, refund and balance adjustments.

(5) ULH&P set out an annualized take-or-pay charge of 7.5 cents per Mcf, which included a fixed monthly demand surcharge of \$491 from Columbia Gas Transmission Corporation pursuant to the Federal Energy Regulatory Commission's ("FERC") Order No. 500. On April 28, 1989, in Docket No. RP 89-116-000, FERC suspended the fixed monthly demand surcharge of \$491 until October 1, 1989. Therefore, ULH&P's annualized take-or-pay charge should be 7.4 cents per Mcf.

(6) ULH&P's gas cost recovery rate for exempt customers in the amount of \$2.954 per Mcf, which includes the fixed charge recovery component, is a decrease of 32.7 cents per Mcf from the previously authorized rate. This decrease represents the combined effect of the supplier decrease, actual, refund and balancing adjustments.

(7) ULH&P's corrected adjustment in rates, including fixed charge recovery, set out in the Appendix, attached and incorporated hereto, is fair, just, and reasonable and in the public interest and should be effective on and after June 1, 1989.

IT IS THEREFORE ORDERED that:

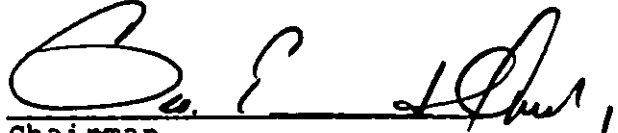
(1) The rates proposed by ULH&P, as corrected pursuant to Finding No. 5, be and they hereby are authorized effective with bills rendered on and after June 1, 1989.

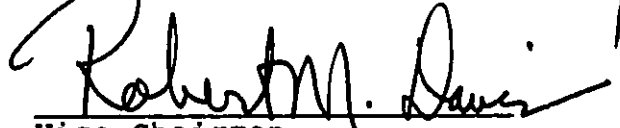
(2) The gas cost recovery rate for exempt customers shall be \$2.954 per Mcf.

(3) Within 30 days of the date of this Order, ULH&P shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 31st day of May, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 9029-S DATED May 31, 1989

The following rates and charges are prescribed for the customers served by Union Light, Heat and Power Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATE GS
GENERAL SERVICE

Customer Charge per month:
Residential Service \$4.50
Non-Residential Service \$6.00

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
All Gas Used	13.91¢	plus 29.54¢	equals 43.45¢ per 100 cu. ft.

Minimum Bill: The minimum monthly charge shall be the customer charge as stated above.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.

RATE F

Special Contract - Firm Use

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
All Gas Used	7.39¢	plus 29.54¢	equals 36.93¢ per 100 cu. ft.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.

RATE OP

OFF PEAK

NET MONTHLY BILL

Computed in accordance with the following charges:

(1) Firm Use shall be billed in accordance with Rate GS, General Service;

(2) Off Peak Gas (i.e., Gas in excess of Firm Use) shall be billed in accordance with the following:

	<u>Base</u> <u>Rate</u>	<u>Gas</u> <u>Cost</u> <u>Adjustment</u>	<u>Total</u> <u>Rate</u>
All Gas Used	4.42¢	plus 29.54¢	equals 33.96¢ per 100 cu. ft.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.

RIDER T-O-P
TAKE-OR-PAY RECOVERY CHARGE

The T-O-P charge to be billed during the revenue months of June, July, and August 1989 is 7.4 cents per 1,000 cubic feet.